



JON M. HUNTSMAN, JR.  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

June 12, 2007

Richard Schreiber  
Tintic Utah Metals, LLC  
Chief Gold Mines Inc.  
1629 Locust Street  
Philadelphia, Pennsylvania 19103-6304

Subject: Review of Response to Stipulation Requirements; Tintic Utah Metals, LLC, Apex/Burgin Project, M049/009; Chief Gold Mines Inc., Trixie Shaft, M/049/024, Task #1758, Utah County, Utah

Dear Mr. Schreiber:

The Division has completed a review of the materials submitted to fulfill the Stipulation Agreement (as amended) of August 9, 2005. The Division appreciates your efforts in providing these materials and we feel that much progress has been made. Attached are copies of the review for each project, as well as a revised reclamation cost estimate for each project. In summary, the following items need to be addressed to complete this process. We ask that you provide a response by no later than July 13, 2007.

- Maps do not label all features, including buildings and facilities, dumps, stockpiles, benches, ponds, etc., and areas of historic disturbance for which Chief has no reclamation responsibility. The features shown on the map must be labeled.
- Access roads that are part of the approved plan (and planned for reclamation) are not included within the 'disturbed area' boundary. Please show these roads as part of the disturbed area.
- The 'reclamation treatments' maps do not show areas for which different reclamation treatments will be applied. Include on these maps areas for which variances have been approved. Please add an appendix which describes the approved variances, the justification for the variances, and the approval documentation for the variances. Because of the length of time that has elapsed, the documentation of the variances is difficult to locate. We are currently searching our records for documentation of the approval of the variances. If you have this in your records, please let us know.
- The reclamation cost estimate did not include a verifiable basis for demolition costs for structures/facilities. Please provide the basis for the time frames for labor and equipment for demolition, or provide the dimensions of all the buildings so that we can apply our costs for demolition.
- The reclamation surety will need to be increased to cover reclamation costs, as currently calculated and escalated for a 5-year period. The combined amount of increase is preliminarily \$99,100 (\$79,000 for the Apex/Burgin and \$20,100 for the Trixie). Providing the information above may have an effect on the amount of surety.



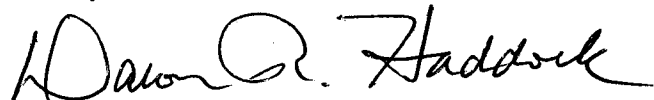
Richard Schreiber  
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During the review of the materials, it seems that the operation of the Trixie mine is related to the operation of the Apex/Burgin mine. In fact, the disturbance of the Trixie mine is located between separate disturbances of the Apex/Burgin permit. With this in mind, it may be to your advantage to combine these two permits.

Once we receive the above-required information, the Division will consider item #1 of the 'Modification of Stipulation to Continue and for Dismissal' to be satisfied. Should the stipulation requirements not be completed, the fines associated with the Failure to Abate Cessation Orders will no longer be held in abeyance. We are hopeful that you will be able to rectify this situation and complete the requirements. We encourage you to work closely with us and keep us informed of your progress.

We appreciate your help in resolving this situation. Please call me at (801) 538-5325 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron R. Haddock  
Permit Supervisor

DRH:pb

Attachments: Review memo and surety cost estimates

cc: Tom Gast w/ attachments  
Mary Ann Wright, DOGM w/o attachments  
Steve Alder, AAG w/o attachments  
Susan White, DOGM w/o attachments

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